	1. TRANSMITTAL NUMBER:	2. STATE:	
TRANSMITTAL AND NOTICE OF APPROVAL OF	0 0 - 0 0 8	Louisiana	
STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITE SECURITY ACT (MEDICAID)	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
HEALTH CARE FINANCING ADMINISTRATION	February 1, 2000	Eshana 1 2000	
DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF PLAN MATERIAL (Check One):	repluary 1, 2000		
3. TIPE OF PEAR MATERIAL (Office Office).			
□ NEW STATE PLAN □ AMENDMENT TO BE CON	NSIDERED AS NEW PLAN XX A	MENDMENT	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEN		endment)	
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT: a. FFY 2000 \$ (74	84.80)	
42 CFR 447 Subpart D		.555.54)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSI OR ATTACHMENT (If Applicable):	EDED PLAN SECTION	
Attachment 4.19-B, Item 12a, p2	Same (TN 99-12)		
10. SUBJECT OF AMENDMENT: The purpose of this amendmethodology for prescription drugs by changing the Average Wholesale Price (AWP) minus 10.5% to AWP AWP minus 13.5% to AWP minus 16.5% for chain phane 11. GOVERNOR'S REVIEW (Check One): GOVERNOR'S OFFICE REPORTED NO COMMENT	he Estimated Acquisition Cost minus 15% for independent ph rmacies (more than fifteen Me	formula from armacies and from dicaid enrolled ** Governor does	
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	not review state plan	n material.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: David ford by John Low	16. RETURN TO:		
13. TYPED NAME: David W. Hood	State of Louisiana Department of Health & Hos	pitals	
14. TITLE:	1201 Capitol Access Road PO Box 91030		
Secretary	Baton Rouge, La 70821-90	30	
15. DATE SUBMITTED: March 24, 2000			
FOR REGIONAL OF	FICE USE ONLY		
	18. DATE APPROVED: November, 21; 2000		
	NE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: February 1, 2000	20. SIGNATURE OF REGIONAL OFFICIAL	¥ejjaej√ajej, jijose E	
21. TYPED NAME: Calvin G. Cline	22. TITLE: Associate Regional A Division of Medicaid and S		
23. REMARKS: ** pharmacles under common ownership	PA, papients essuas e espatos arbitos s		

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-B Item 12.a., Page 2

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

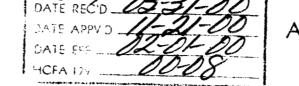
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902(a) OF THE ACT THAT ARE INC. ARE DESCRIBED AS FOLLOWS:

CITATION 42 CFR 447 Medical and Remedial Care and Services

42 CFR 447 Item 12.1. (Continued)

Subpart D



"Multiple Source Drug" means a drug marketed or sold by two or more manufacturers or labelers or a drug marketed or sold by the same manufacturer or labeler under two or more different proprietary names or both under a proprietary name and without such a name.

"Average Wholesale Price" (AWP) means the wholesale price of a drug product as reported to Medicaid of Louisiana by one or more national compendia on a weekly basis.

"Estimated Acquisition Cost" (EAC) means the modified Average Wholesale Price of the drug dispensed and identified by the manufacturer number, product number, and package number usually purchased by a provider from a supplier whose products are generally available to all pharmacies and reported in one or more national compendia. EAC for drug products supplied through repackaging into smaller quantities by chain drugstore central purchasing shall be based on the package size purchased by the central purchasing unit. Supporting documentation (invoices) shall be made available to the agency or its designee upon request. This limitation includes drug products which are repackaged or relabled by the manufacturer or third party under any type of purchase contract or agreement. Bulk purchase practices which result in price reductions not generally available to all pharmacies shall also be subject to this limitation. If the package size is larger than the largest size listed by Medicaid of Louisiana, then EAC will be based on the largest size listed in the American Druggist Blue Book or other national compendia utilized by the State to update the Medicaid Management Information System (MMIS).

"Modified" means the lower of the following applicable limits:

AWP minus either 15% for independent pharmacies (all pharmacies not included in the chain pharmacy designation) or 16.5% for chain pharmacies (more than fifteen Medicaid enrolled pharmacies under common ownership) for:

Other Drugs not subject to LMAC limits; and

Drugs exempt from LMAC or Federal Upper Limits by physician override:

LMAC limits on multiple source drugs established by Medicaid of Louisiana as set forth below; and

Federal Upper Limits on multiple source drugs established by HCFA as set forth below.

"Maximum Allowable Overhead Cost" means the expense incurred by pharmacy providers in dispensing covered drugs as determined by Medicaid of Louisiana. Section V. of Item 12.a. describes the complete methodology utilized.

- B. Federal Upper Limits (FUL) For Multiple Source Drugs
 - 1. Except for drugs subject to "Physician Certification", Medicaid of Louisiana shall utilize listing established by HCFA that identify and set upper limits for multiple source drugs that meet the following requirements:
 - (a) All of the formulations of the drug approved by the Food and Drug Administration (FDA) have been evaluated as therapeutically equivalent in the most current edition of their publication, Approved Drug

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TN#	99-12	

Approval Date 1/21-00

Effective Date 22-01-00